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2 February 1970

DIGEST OF THE CONTENTS OF THE "EYES ONLY" MEMO WHICH ACCOMPANIED THE IG REPORT OF JUNE 1965

IDEALIST/TACKLE ''EYES ONLY''

The referenced memo consists of a one-page memo of transmittle, a sevenpage appendix, and a tab consisting of copies of two letters. The one-page memo mentions the fact that there were certain matters not appropriate for inclusion in the body of the IG report but which should be called to the attention of the The attachment consisted of a discussion of three problem areas identified by the IG in his survey. The tab included two letters, one from & Roswell Gilkpri to John McCone, And the other, McCone's response to Gilkpric. In his memo, Gilkpric. raised the question of how to arrange the transfer of NPIC administration to the DOD in wartime as provided in NSCID No. 8. Gilkpric pointed out that DOD would like to see this issue settled and that he would like to have an arrangement whereby administration of the Center would be transferred to the DOD before the commencement of declared hostilities. This memo was dated 2 October 1965. In McCone's answer which was dated appreximately 25 October 1965, he pointed out that he was undertaking a survey of the wartime relationships of all parts of the Intelligence Community. with particular reference to CIA. McCone pointed out that he was doing this in his capacity as the Director of Central Intelligence. He said that whereas he envisaged a continuing close relationship between components in the Intelligence Community and in particular between them and the Joint Chiefs of Staff in time of war, he did not envisage that there would be any change in the statutory responsibilities of the DCI in time of war. He said that when he finished his survey and made his decision as to just what these relationships should be, he would let Gilkpric know. In point of

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fact the matter remained just there until the present time.

The first of the three issues that the IG discussed in his "Eyes Only" memo was the question of the subordination of NPIC to higher authority. He pointed out that NPIC was a national Center and that CIA could come under censure for treating it exclusively as a CIA property. He mentioned for example that this could happen if CIA treated NPIC the same as other Agency line components in times when there was a squeeze on funds and manpower. He said that at the time of the earlier IG survey in 1962, it had been decided to leave NPIC subordinate to the DDI. He said the reason was that the JDDI was newly appointed at that time and he felt that the DDI should have a chance to study the situation and make his own recommendations. The IG pointed out that in his more recent survey, in 1965, he considered this question of subordination, specifically, the following alternatives 1) raise NPIC to the status of a quasy-independent component reporting directly to the DCI. He rejected this because, as he said, he felt the DCI and the DDCI were already so busy as to make it inadvisable to present them with the problem of overseeing the running of NPIC. He said that the main gain in this event would only be a better opportunity for NPIC to compete with other CIA organizational units for funds and people. He said that under the circumstances he didn't feel that an organizational change should be made simply to achieve a solution to what he characterized as primarily a situation resulting from lack of satisfactory communications. 2) The IG also considered the possibility of elvating NPIC to the Directorate level, and making it the co-equal of the DDI, the DDS&T, etc. He did not discuss in detail why he rejected this possibility, but, presumably, it would be for essentially for the same reason as he rejected the first alternative. 3) He considered the possibility of transferring the

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than the DDI. The IG observed that this would have some attractions particularly between the close relationships between NPIC and the DDS&T with respect to some of the technical support needed in the management and operation of NPIC. He said he rejected this alternative, however, because he saw no reason to believe that the DDS&T was any less busy than the DDI. This led him to the conclusion that NPIC should remain as it had been, an subordinate to the DDI.

The second issue that the IG discussed in his "Eyes Only" memo was the possibility of rewriting NSCID No. 8 so as to make 4 clear the responsibility of NPIC for the interpretation of the imaged products of other centures than photography. He pointed out when NSCID No. 8 was initially approved on 18 January 1961, photography was the only image forming consure that was producing in any significant volume i imagery of interest from a strategic intelligence point of view. Since that time he pointed out that both infrared and radar imagery collection had advanced to the point where it was possible to get inputs from collection systems operating in the stratosphere that had sufficent resolution to be compreable with the resolution of satellite photography in the early days. He pointed to the construction at Beale Air Force Base, Calif., of a 32 million dollar facility for the exploitation of the multi-censure packages from the SR-71 collection vehicle. He pointed out that the cost of this facility, which was being constructed by SAC, was two and one-half times the cost of the NPIC facility. He pointed out that this very probably constituted an encroachment on what should be the responsibility for exploitation of imagery by the National Center. He said that even within the Agency there was some evidence of encroachment. He recalled the 50X1

was scheduled to be exploited by the DDS&T but that it finally wound up being done

- at NPIC. In conclusion, he questioned whether or not the DCI might not like to consider the rewriting of NSCID No. 8 to provide the National Center with the responsibility for exploitating imagery of strategic importance obtained by these other censures.
- 4. The third and last question covered in the attachment to this "Eyes Only" memo was the one of subordination of NPIC to the DOD in wartime. This had been provided for in NSCID 8, but the exact machinery to accomplish the transfer and provision for when to do it were lacking. In his October 1963 memo to John McCone, Gilkeric had suggested that this be done at some time prior to the declaration of hostilities, but McCone had demurred, saying that he was studying the matter and would let Gilkeric know his decision. The IG pointed out in his discussion that it was unlikely the DOD had forgotten this matter, and he suggested that the DDCI might like to take action to prepare for the day when DOD would resurrect this proposal.
- 5. This concludes my digest, based entirely on my recollection of what I read. These recollections have been committed to tape immediately upon my return to my office from Langley. I took detailed notes on this document and am having them sent through normal courier channels. If there are any discrepancies between those notes and what I have said here, the notes are, of course, the more authoritative, and the difference must be ascribed to my forgetfulness.